GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:2737
ANSWERED ON:01.08.2017
Impact of GST
Ranjan (Pappu Yadav) Shri Rajesh

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that farmers are facing problems regarding availability of fertilizers for their current crops due to GST as traders have shown nil stock;

(b)if so, the details thereof and the action taken by the Government in this matter so far;

(c) whether the benefits of GST has gone directly to the farmers or manufacturers and dealers; and

(d) the benefits accruing to farmers on account of GST?

Answer

MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT & HIGHWAYS, SHIPPING AND CHEMICALS & FERTILIZERS

(SHRI MANSUKH L. MANDAVIYA)

(a) & (b): No, Madam. There is adequate availability of all subsidized chemical fertilizers across the country and there is no report of any shortage.

(c) & (d): Madam, GST being an Indirect Tax, the dealers and manufacturers collect it for Government and deposit it to the Government treasury. Prior to the implementations of GST, the farmers of different States were paying different taxes (Excise Duty and VAT) ranging between 1% to 7%. With the introduction of uniform GST at 5%, the farmers of different States are liable to pay uniform tax amount. The all India weighted average MRP of Urea has decreased by 71 paise per Urea bag. Therefore, the farmers have directly benefitted from the benefits of GST. The prices of P&K fertilizers have decreased in majority of States after implementation of GST.

****